

## AMENDED, RESTATED, SUPERSEDING AND COMBINED ESCROW AND TRUST AGREEMENT

This Amended, Restated, Superseding and Combined Escrow and Trust Agreement (the "Escrow and Trust Agreement") is dated as of March 15, 2005, by and among **THE CITY OF BURBANK**, a municipal corporation (the "City"), **THE BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**, a public entity formed pursuant to the California Joint Exercise of Powers Act (the "Authority"), and **THE BANK OF NEW YORK TRUST COMPANY, N.A.**, a banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee") (each individually, a "Party" and collectively, the "Parties").

### RECITALS

A. On June 25, 1999, the Los Angeles County Superior Court entered judgment in *Burbank-Glendale-Pasadena Airport Authority v. Lockheed Corporation, et al.*, Case No. BC 155222 (the "Condemnation Action"), an eminent domain proceeding filed by the Authority to condemn for public use the real property, the portion of which that has not been conveyed to a third party other than the Trustee is described in Exhibit "1" (the "B-6 Property"). On August 31, 1999, the City and the Authority executed an escrow agreement to address the conveyance and interim use of the B-6 Property, and the City, Authority and Security Trust Company, as trustee (the "Original Trustee") executed a trust agreement establishing a trust to maintain title to a portion of the B-6 Property (the "Trust Property"). On November 16, 1999, the City, Authority and the Original Trustee executed an Amended, Restated and Superseding Escrow Agreement ("Restated Escrow Agreement") and an Amended, Restated and Superseding Land Title Trust Agreement ("Restated Trust Agreement"). On November 19, 1999, the Court entered a Final Order of Condemnation ("Final Order") containing the terms under which the condemnation proceeding concerning the B-6 Property was concluded. Among those terms was compliance with the Restated Escrow Agreement, Restated Trust Agreement, and two additional agreements imposing easements and use restrictions in favor of the City on the B-6 Property.

B. This Escrow and Trust Agreement will amend, restate and supersede the Restated Escrow Agreement in accordance with the terms of Section 16.5 of the Restated Escrow Agreement and will amend, restate and supersede the Restated Trust Agreement in accordance with the terms of Section 10.5 of the Restated Trust Agreement.

C. Concurrently with the execution of this Escrow and Trust Agreement, the City and the Authority also have executed the Amended and Restated Grant of Easements, Declaration of Use Restrictions and Agreement for Adjacent Property (the "Restated Adjacent Property Easement"), and the City, the Authority and the Trustee have executed the Amended and Restated Grant of Easements, Declaration of Use Restrictions and Agreement for Trust Property (the "Restated Trust Property Easement") (collectively, the "Easement Agreements"), which upon recordation will replace and supersede: (i) the Grant of Easements, Declaration of Use Restrictions and Agreement for Adjacent Property; and (ii) with respect to the Trust Property only, the Grant of Easements, Declaration of Use Restrictions and Agreement for Trust Property entered into by the City and the Authority on November 23, 1999, as subsequently amended. On February 26, 2003, the Authority, the City and the Trustee entered into that certain



First Amendment To Grant Of Easements, Declaration Of Use Restrictions And Agreement For Trust Property (the "First Amendment"). Thereafter, further amendments were prepared, including a Second Amendment To Grant Of Easements, Declaration Of Use Restrictions And Agreement For Trust Property (the "Second Amendment"), a Third Amendment To Grant Of Easements, Declaration Of Use Restrictions And Agreement For Trust Property (the "Third Amendment"), and a Fourth Amendment To Grant Of Easements, Declaration Of Use Restrictions And Agreement For Trust Property (the "Fourth Amendment"). The Amendments allow, among other things, temporary use of portions of the Trust Property by Sunrise Ford, Inc., a Delaware corporation ("Sunrise Ford") and the Southern California Public Power Authority, a joint powers authority ("SCPPA"). The Grant of Easements, Declaration of Use Restrictions and Agreement for Trust Property entered into by the City and the Authority on November 23, 1999, as amended by the First Amendment and as proposed to be amended by the Second Amendment, the Third Amendment and the Fourth Amendment, are referred to herein as "the Original Trust Property Easement." The Restated Adjacent Property Easement will be recorded by the parties thereto on the Effective Date (as defined in Section 14.15.1 below) or as soon as practical thereafter, and will become effective upon such recordation, as provided in Section 14.15.3 below. The Restated Trust Property Easement will become effective as provided in Section 14.15.4 below. The Easement Agreements create use restrictions (the "City Use Restrictions") and easements (the "City Easements") on the B-6 Property in favor of the City which limit use of the B-6 Property.

D. The purposes of this Escrow and Trust Agreement include without limitation: (1) to ensure that the Authority is prohibited from using the portion of the B-6 Property described below as the "Trust Property" for purposes of expanding or enlarging the Airport's facilities or operations and further is prohibited from using the portion of the B-6 Property described below as the "Adjacent Property" for purposes of expanding or enlarging the Airport's facilities or operations, with an exception for limited use of the Adjacent Property for airport-related parking as provided herein, and to confirm that the Authority may use the Adjacent Property as authorized by the City under PUC Section 21661.6, or with respect to the portion zoned "PD," such uses as may be authorized by the PD zone; (2) to acknowledge that the prior transfer to the Authority of title to the Adjacent Property does not deprive the City of any rights pursuant to California Public Utilities Code Section 21661.6 ("PUC Section 21661.6"), other land use laws or the Easement Agreements; (3) to avoid use and development of the Trust Property that, under applicable State of California regulations and FAA guidelines relating to noise, clear zones, setbacks, height limits and electromagnetic and light interference, would be incompatible with operations at the Airport; (4) to affirm and ensure that the imposition of easements and restrictions on the use of the B-6 Property or any portion thereof, are not intended to and will not result in the preemption of, or create rights that preempt, PUC Section 21661.6 or the City's local land use laws, including, but not limited to, the City's Zoning Ordinance and General Plan and the Burbank Redevelopment Agency's Golden State Redevelopment Plan, or otherwise affect adversely the applicability, validity or enforceability of any of those laws; (5) to acknowledge that the imposition of easements and restrictions on the use of the B-6 Property or any portion thereof, and/or the construction of any airport-related facilities on the B-6 Property or any portion thereof are not required under federal law to ensure the continued safe and efficient operation of the Airport; (6) to amend the Restated Escrow Agreement and Restated Trust Agreement to conform to the Parties' current agreement on the conveyance and use of the



B-6 Property; and (7) to combine the amendments to the Restated Escrow Agreement and the Restated Trust Agreement into a single document.

E. The Trustee holds Title to the Trust Property pursuant to the Final Order. The Parties intend that the Trustee shall continue to hold Title to the Trust Property for the benefit of the Authority, subject to and in accordance with the terms of this Escrow and Trust Agreement and solely for the purposes set forth herein, until Title to the Trust Property is conveyed to a party unrelated to the Authority or the City as provided in this Escrow and Trust Agreement. As used herein, "Title" means all of the right, title and interest in the Trust Property conveyed to the Trustee upon recordation of a certified copy of the Final Order.

F. In recognition of the City's separate approval of an application by the Authority to acquire an approximately twenty-six (26) acre parcel located adjacent to the Airport known as the A-1 North Property which the City separately has approved to be used for vehicle parking, the Authority shall refrain from using an approximately equivalent (26 acre) area of the Trust Property for any purpose so long as the Authority maintains both a beneficial interest in the Trust Property and a title interest in the A-1 North Property.

G. The Parties recognize that under the Restated Escrow Agreement and the Restated Trust Agreement, no "Development Agreement" or "Final Development Agreement," as defined by those agreements, was ever executed. This fact does not preclude the Parties from executing a development agreement affecting the B-6 Property in accordance with state and local law. The parties do not intend for the execution of any such development agreement to require conveyance to the Authority of any additional interest in the Trust Property.

## A G R E E M E N T

NOW THEREFORE, FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Parties hereby agree as follows:

1. Legal Descriptions of The B-6 Property The Adjacent Property And The Trust Property. Attached hereto and incorporated herein as Exhibit "1A" is a legal description of the B-6 Property, together with a Sketch to Accompany Legal Description that depicts the various parcels of the B-6 Property (Exhibit "1B"). Attached hereto and incorporated herein as Exhibit "2A" is a legal description of that portion of the B-6 Property that is adjacent to existing Airport property (the "Adjacent Property"), consisting of parcels D, E, H and that portion of A within the Building Restriction Line ("BRL") shown on the Authority's Revalidated Airport Layout Plan ("ALP"), approved by the Federal Aviation Administration ("FAA") on August 25, 2004, a copy of which is attached as Exhibit "3", together with a Sketch to Accompany Legal Description that depicts the various parcels of the Adjacent Property (Exhibit "2B"). Attached hereto and incorporated herein as Exhibit "4A" is a legal description of the remaining portion of the B-6 Property that is not included within B-6 Property parcels D, E, H and that portion of A within the BRL (the "Trust Property"), together with a Sketch to Accompany Legal Description that depicts the various parcels of the Trust Property (Exhibit "4B"). The Parties agree that the entry of the Final Order dividing the B-6 Property into the Adjacent Property and the Trust Property did not require the filing of a parcel map; however, if requested by either the



Authority or the City, the Authority shall apply for and the City shall diligently process a lot line adjustment applicable to the Adjacent Property and the existing Airport property so that the Adjacent Property becomes part of the Airport property and the Trust Property remains as a separate legal parcel. In the event of any discrepancy between a legal description and the Sketch to Accompany Legal Description which depicts the various parcels of the B-6 Property, the legal description prevails.

## 2. Title to the Adjacent Property and the Trust Property.

2.1 The Adjacent Property. All right, title and interest in the Adjacent Property, subject to and in accordance with the terms of the Restated Adjacent Property Easement, is held by the Authority.

2.2 The Trust Property. Title to the Trust Property, subject to the Restated Trust Property Easement, is held by the Trustee until conveyance of Title, subject to the Trust Property Easement, to a party unrelated to the City or the Authority as provided in Section 4. Subject to the rights of the City created under the Easement Agreements, the Parties intend to preserve in favor of the Authority all rights, remedies and defenses accruing or available to it as the condemnor of the B-6 Property in the Condemnation Action, including, without limitation, any that arise or are available to a condemnor under state or federal environmental laws.

## 3. Limited Nature of Trust and Role of Trustee.

3.1 Role of Trustee. The sole role of the Trustee is to hold Title to the Trust Property and to transfer Title to the Trust Property as provided in Section 4 of this Escrow and Trust Agreement, in both cases subject to and in accordance with the terms of the Restated Trust Property Easement. The Trustee shall have no authority or power to take any action to affect Title or to transfer any right, title or interest in the Trust Property, except as provided herein. The Trustee shall have no economic interest in or right to income or sales proceeds from the Trust Property and, upon any sale of the Trust Property, the Authority shall be entitled to receive all proceeds of sale. The Trustee and the City shall instruct any escrow holder involved in the sale of the Trust Property or portions thereof to disburse all proceeds from the sale of the Trust Property or portions thereof to the Authority.

3.2 Action Upon Joint Written Instructions or Court Instructions. In any case in which it is necessary for the Trustee to take an action other than to transfer Title to the Trust Property in accordance with Section 4 of this Escrow and Trust Agreement, the Trustee shall act only upon (a) the express authorization in this Escrow and Trust Agreement, (b) the joint written instructions of the Authority and the City or (c) the instructions of a Court having jurisdiction of the Trust Property and the Parties. If the City and the Authority cannot agree upon joint written instructions to the Trustee as to any matter where such instructions are requested by the Trustee, the Trustee shall have the right to seek instructions from the Court in any action or proceeding brought by the Trustee for such purpose, and the Trustee shall have no liability to the Authority or to the City as a result of seeking or following the Court's instructions. The Trustee shall have



no authority or power to take any action that could encumber or otherwise adversely affect the condition of Title or the marketability of the Trust Property, or that could result in any liability to the Authority or to the City, unless in either case expressly authorized to do so by joint written instructions of the Authority and the City or by order of Court.

3.3 Exculpation and Indemnity of Trustee. The Trustee shall have no duty, obligation or liability relating to or arising from the Trust Property and, as among the Parties, the Authority shall be solely responsible for all liabilities and obligations arising during the period the Trustee holds Title to the Trust Property, subject to all available rights of indemnity and contribution. The City and the Authority agree that as a material inducement to the Trustee to enter into this Escrow and Trust Agreement, neither the City nor the Authority, jointly or severally, shall have any cause of action or right to sue the Trustee based upon any act or omission of the Trustee, solely excepting (a) the Trustee's failure to transfer Title to the Trust Property when required to do so under the terms of this Escrow and Trust Agreement, (b) the Trustee's failure to follow the joint written instructions of the Authority and the City, or (c) the Trustee's failure to follow the Court's instructions after the Trustee seeks and receives those instructions. The Authority shall indemnify, hold harmless and defend, with counsel selected by the Trustee and reasonably approved by the Authority, the Trustee and its officers, directors, employees, attorneys and agents, from and against any claim, suit, proceeding, obligation or liability brought, made or asserted by any person, firm or entity arising out of, related to, or based upon: (i) the use, maintenance, condition or management of, or from any work or thing done on the Trust Property by the Authority, or any lessee, permittee, licensee thereof, or the City; (ii) any breach or default on the part of the Authority or the City in the performance of any of their respective obligations under this Escrow and Trust Agreement or the Restated Trust Property Easement, and any other agreement entered into with respect to the Trust Property; (iii) any act of negligence of the Authority or the City or any of their respective agents, contractors, servants, employees, licensees with respect to the Trust Property; (iv) any act of negligence of any assignee of, lessee of or purchaser from the Authority or the City or any of its or their respective agents, contractors, servants, employees, licensees, with respect to the Trust Property; (v) the actions of any other party, including but not limited to the ownership, operation or use of the Trust Property by the Authority or the City, including but not limited to the presence on, under or about, or the release from, the Trust Property of any substances, materials, or wastes, known or unknown, which are now or which become regulated or classified as hazardous or toxic under state, federal or local law; (vi) the Trustee's exercise and performance of its powers and duties hereunder; (vii) the offering or sale of the Trust Property, except as provided in the preceding sentence and Section 4.5; or (viii) any untrue statement or alleged untrue statement by anyone other than the Trustee of any material fact, or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any statement or offering materials utilized in connection with the sale, lease, permit or license of the Trust Property.

3.4 Fees and Expenses of Trustee. The Authority shall pay the fees of the Trustee as provided in the Escrow Trust Services Fee Schedule dated February 11, 2005, and attached hereto as Exhibit "7".



#### 4. Conveyance of Trust Property.

4.1 The Trustee is obligated to convey Title to the Trust Property in one or more transactions to one or more parties unrelated to the Authority or the City. This obligation is tolled until (1) the date that is ten years after the Effective Date of this Escrow and Trust Agreement, or (2) the City issues a Notice of Requirement to Sell substantially in the form attached hereto as "Exhibit 5" to the Trustee and the Authority. The City shall not issue the Notice of Requirement to Sell unless (i) the Authority submits a Notice of Intent to Proceed in accordance with the Development Agreement between the City and the Authority dated March 15, 2005, indicating that the Authority intends to pursue any project not authorized or permitted by such Development Agreement, or (ii) said Development Agreement has been terminated in whole prior to expiration of its term (as defined therein) and the Authority applies for any permit or approval for, or proceeds with, any project which would not have been authorized or permitted by such Development Agreement had it remained in effect.

The Authority may in its sole discretion instruct the Trustee to convey any portion of the Trust Property at any time, subject to the Trust Property Easement, the Avigation Easement described in Section 4.4, the Conditions of Title, matters disclosed by Survey, and any lease, permit or license allowing use of the Trust Property by any person or entity. The Authority shall not issue any such instructions to the Trustee unless and until (1) the City has approved a Specific Plan covering at least the parcel or parcels to be conveyed by the Trustee, and (2) if the Authority intends for the Trustee to convey less than the entire Trust Property, the Authority has submitted and received City approval for a parcel or tract map, as appropriate and regardless of any potentially contrary provision of the California Subdivision Map Act.

4.2 Upon expiration of the ten-year tolling period referred to in Section 4.1 or upon receipt of the Notice of Requirement to Sell as described in Section 4.1, whichever is earlier, the Trustee, in cooperation with the Authority and the City, shall convey all right, title or interest in the applicable portion of the Trust Property to one or more parties unrelated to the Authority or the City, as provided herein.

4.2.1. Immediately after the expiration of the ten-year tolling period or immediately after issuance and receipt of the Notice of Requirement to Sell, whichever is earlier, the City and Authority shall meet and confer to discuss the conveyance and redevelopment of the Trust Property. The Authority shall identify land uses that would be consistent or inconsistent with operations of the Airport. The City shall identify land uses that would be consistent with City goals and objectives, as reflected in the Burbank General Plan, the Golden State Redevelopment Plan and similar planning documents. The City may, in its sole discretion, prepare a specific plan or similar document. If the Authority divides the Trust Property into more than one parcel for purposes of marketing and sale, the Authority shall submit a parcel or tract map, as appropriate, to the City for review and approval, regardless of any potentially contrary provision of the California Subdivision Map Act.

4.2.2. Within one hundred and eighty (180) days after the expiration of the ten-year tolling period or the Trustee's receipt of the Notice of Requirement to Sell, whichever is earlier, the Authority shall release a Request for Proposals identifying and



describing the parcel(s) to be sold and promptly thereafter use reasonable efforts to select a qualified purchaser.

4.2.3. If an escrow or escrows for the sale of the Trust Property have not been opened within one (1) year after the expiration of the ten-year tolling period or the Trustee's receipt of the Notice of Requirement to Sell, whichever is earlier, the City and the Authority shall attempt to develop a mutually agreeable disposition plan for sale of the Trust Property including, but not limited to, an agreed-upon reasonable and realistic listing price for each portion of the Trust Property remaining to be sold. Within 18 months after the expiration of the ten-year tolling period or receipt of the Notice of Requirement to Sell, whichever is earlier, if a disposition plan has not been agreed to between the City and the Authority for sale of all of the remaining portions of the Trust Property, a listing price and disposition plan for sale of the remaining portions of the Trust Property shall be determined in an arbitration before a single arbitrator under the Rules for the Real Estate Industry of the American Arbitration Association, including the rules for selecting an arbitrator. Within thirty (30) days after the arbitrator's determination of a listing price and disposition plan, the Authority shall issue additional Request(s) for Proposal(s) for sale of the remaining portions of the Trust Property and shall thereafter issue additional Requests for Proposals in accordance with the arbitrator's disposition plan, until a buyer or buyers have been selected for the entire Trust Property.

4.3. The City shall cooperate in the marketing and sale of the Trust Property. The City will not be obligated to make any representations or commitments concerning approvals or entitlements that may be required to redevelop the Trust Property for any particular use. The City shall not employ its governmental powers with respect to development on the Trust Property with the purpose or intent of reducing the purchase price for the Trust Property or in a manner that would constitute a taking or damaging of the Trust Property without just compensation under the California or United States Constitution.

4.4. In conjunction with any sale of the Trust Property, the Authority shall have the right to impose, and the purchaser(s) and the Authority shall execute, acknowledge and record the Easement Deed and Agreement (Aviation Rights) between the Trustee and the Authority attached as Exhibit "6" (the "Avigation Easement"), as modified as may be required by any and all applicable FAA regulations or orders then in effect. The Avigation Easement shall identify the purchaser(s) as a successor to the Trustee, and therefore subject to the Avigation Easement restrictions assuring that any development or use of the Trust Property shall, under applicable State of California and FAA guidelines relating to noise, clear zones, setbacks, height limits and electromagnetic and light interference, be compatible with operations at the Airport. In no circumstances shall the Avigation Easement or any modification or amendment thereto be interpreted as permitting or requiring use of the Trust Property for purposes of expanding or enlarging the Airport, or as otherwise adversely affecting in any manner the rights of the City under this Escrow and Trust Agreement or the Easement Agreements.

4.5. Trustee shall convey Title to the Trust Property or portions thereof by a grant deed or deeds, which the Trustee shall execute conveying Title to the Trust Property or portions thereof solely in its capacity as holder of Title, subject only to the Restated Trust Property Easement; the Avigation Easement or amendment thereto; the Conditions of Title; the



matters disclosed by the Survey, as identified in Section 4.6 and Section 4.7 of this Escrow and Trust Agreement; and any lease, permit or license allowing use of the Trust Property by any person or entity. The exclusive roles and responsibilities of the Trustee in connection with each such conveyance shall be (i) to execute, acknowledge and record an Avigation Easement; (ii) to execute, acknowledge and record, jointly with the Authority and at the sole cost and expense of the Authority, a grant deed conveying Title to the Trust Property or portions thereof to the purchaser or purchasers, subject to the terms of the Restated Trust Property Easement, the Avigation Easement, the Conditions of Title, the Survey, and any lease, permit or license allowing use of the Trust Property by any person or entity and such additional reasonable documents as may be required under applicable law for a sale of real property (including Federal and State tax withholding certificates); (iii) to instruct, jointly with the City and the Authority, any escrow holder involved in the sale transaction to pay all net proceeds from the sale to the Authority; and (iv) to comply with laws applicable to a sale of real property, at no cost or liability to the Trustee, to the extent expressly directed by Authority. Concurrently therewith, the City shall execute, acknowledge and deliver to the Trustee and the Trustee shall record an appropriate instrument modifying, releasing or terminating the applicable provisions of the Restated Trust Property Easement with respect to the parcel(s) conveyed, except that, as provided in Section 7.1 below, the City shall in no event be required to release or terminate the Restated Trust Property Easement and use restrictions prohibiting use of the Trust Property for purposes of expanding or enlarging the Airport or for any structure, construction or development project to expand or enlarge the Airport. The Trustee shall not be responsible for nor concerned with the preparation or content of (i) any agreement of purchase and sale, which shall be prepared by the Authority and shall contain such terms the Authority shall determine in its sole discretion, and which shall be the sole responsibility and obligation of the Authority; (ii) the grant deed; or (iii) the Avigation Easement, which the Trustee shall execute solely in its capacity as holder of Title to the Trust Property. In taking any actions under this Section 4.5 that are not expressly authorized, the Trustee shall act only upon joint written instructions of the City and the Authority or instructions of the Court as provided in Section 3.2 above.

4.6. Preliminary Title Report and Survey for Trust Property. Within 180 days following the expiration of the ten-year tolling period or following receipt by the Trustee of a Notice of Requirement to Sell under this Section 4, whichever is earlier, the Authority shall obtain and deliver copies to the Trustee and City of: (i) a preliminary title report from the Trustee's affiliated licensed title insurer, or a date-down of a title report previously obtained by the Authority (the "Title Report"), showing Title to the Trust Property vested in the Trustee and setting forth all liens, encumbrances and other exceptions to Title (the "Conditions of Title"); and (ii) an A.L.T.A./A.C.S.M. Urban survey, including all optional items, of the Trust Property, performed by a licensed land surveyor, or a date-down of a survey previously obtained by the Authority (the "Survey").

4.7. Title Insurance. A title insurance company acceptable to the purchaser shall provide title insurance in connection with any transfer of Title to or sale of the Trust Property or portions thereof. All premiums for title insurance coverage shall be reasonable and customary and competitive with other major title insurers in Los Angeles County.



5. Termination of Trust. The obligations and duties of the Trustee and the trust created by the Final Order in the Condemnation Action and under this Escrow and Trust Agreement shall terminate upon the completion of the conveyance of Title to the Trust Property by the Trustee to a third party or third parties, as the case may be, in accordance with the terms of this Escrow and Trust Agreement. The Trustee thereafter shall have no further obligations as a party to this Trust and Escrow Agreement; provided, however, that the provisions of Section 3.3 shall survive termination of the trust.

6. Use and Occupancy of the Adjacent Property and Trust Property

6.1. Use Restrictions and Easements on the Adjacent Property. The Restated Adjacent Property Easement executed by the Authority and the City provides as follows: (a) no structure shall be constructed, built, erected or placed on the Adjacent Property within the Building Restriction Line ("BRL"), as shown on the ALP, except as provided in Burbank City Council Resolution No.26,894; (b) no portion of the Adjacent Property shall be used for any purpose other than the uses explicitly permitted by the City pursuant to its authority under PUC Section 21661.6; and (c) no portion of the Adjacent Property shall be used for any structure, construction or development project to expand or enlarge the Airport, except as provided in Burbank City Council Resolution No. 26,894. These limitations on use of the Adjacent Property apply to temporary as well as permanent uses; provided, however, that, although not presently contemplated or legally required, the Authority may conduct the following temporary activities on the Adjacent Property: (i) demolition of improvements and extraction of subsurface structures that exist as of the effective date or may be constructed, built, erected or placed on the Adjacent Property in accordance with this Escrow and Trust Agreement provided all such activities are diligently prosecuted to completion once any such activity is commenced; (ii) grading, to a level grade promptly following the demolition and/or extraction of improvements and subsurface structures provided that the grading is diligently prosecuted to completion once it is commenced; and (iii) environmental investigations and remediation expressly required by a government agency acting pursuant to its delegated authority or by a court of competent jurisdiction. The Authority shall promptly give Notice to the City prior to undertaking such temporary activities. The Authority may further conduct maintenance required to comply with applicable laws and regulations, mowing, weed abatement, maintenance of drainage system and runoff control systems, trash and debris removal, and dust control activities. These limitations on use shall apply notwithstanding any potentially contrary authority and shall preclude, without limitation, use of the Adjacent Property for temporary overflow vehicle parking and aircraft parking. Upon the Effective Date of the Restated Adjacent Property Easement, the Authority may use or lease the Adjacent Property in a manner that is not expressly authorized by subsections (a) through (c) of this paragraph only if both of the following occur: (i) the City reviews and approves an application for such use pursuant to PUC Section 21661.6(e); and (ii) the use is approved by the City in accordance with any applicable City approval processes.

6.2. Use and Occupancy of the Trust Property. Except as set forth in this Section 6.2 and the Restated Trust Property Easement, during the term of this Escrow and Trust Agreement, the Trustee shall have the sole right to possess and occupy the Trust Property to the exclusion of all others. The Authority shall have the right to lease the Trust Property or otherwise use the Trust Property, consistent with Section 6.3, and to receive rent or other



compensation for such use of the Trust Property; provided, however, the Authority shall not enter into any lease, permit, license or other agreement authorizing use of the Trust Property for a period of more than ten (10) years from the Effective Date, including any options for renewal or extension. Upon the expiration of the ten-year tolling period described in Section 4.1 or within ninety (90) days after receipt by the Authority of a Notice of Requirement to Sell as described in Section 4.1, whichever is earlier, the Authority shall (1) ensure that any and all use of the Trust Property for any commercial purpose has ceased, and (2) ensure that all structures located on the Trust Property have been removed or demolished..

6.3. Use Restrictions and Easements on the Trust Property. The Restated Trust Property Easement executed by the Authority, the City and the Trustee, limits the Authority's use of the Trust Property to the following uses and activities after the Effective Date of the Restated Trust Property Easement: (i) the Authority may use or permit others to use no more than thirty-three (33) acres of the Trust Property for uses permitted by the Burbank Zoning Ordinance; provided, however, that this portion of the Trust Property may not be used for expansion or enlargement of the Airport or for any structure, construction or development project to expand or enlarge the Airport regardless of any potentially contrary terms of the Zoning Ordinance; and (ii) the Authority may maintain any remaining portion of the Trust Property only as passive open space, and shall not conduct or permit others to conduct any active use on that portion of the Trust Property. These limitations on use of the Trust Property apply to temporary as well as permanent uses; provided, however, that , although not presently contemplated or legally required, the Authority may conduct the following temporary activities on the Trust Property: (i) demolition of improvements and extraction of subsurface structures that exist as of the effective date or may be constructed, built, erected or placed on the Adjacent Property in accordance with this Escrow and Trust Agreement provided all such activities are diligently prosecuted to completion once any such activity is commenced; (ii) grading, to a level grade promptly following the demolition and/or extraction of improvements and subsurface structures provided that the grading is diligently prosecuted to completion once it is commenced; and (iii) environmental investigations and remediation expressly required by a government agency acting pursuant to its delegated authority or by a court of competent jurisdiction. The Authority shall promptly give Notice to the City prior to undertaking such temporary activities. The Authority may further conduct maintenance required to comply with applicable laws and regulations, trash and debris removal, mowing, weed abatement, maintenance of drainage system and runoff control systems, and dust control activities. The Authority agrees that its use of the Trust Property shall be limited as provided in the Restated Trust Property Easement notwithstanding any potentially contrary authority, except that prior to the effective date of the restated Trust Property Easement, the Authority's use of the Trust Property shall be subject to the terms of the Original Trust Property Easement.

6.4. Vacant Portions of the Trust Property. The Authority shall be responsible for identifying the portion of the Trust Property that will be used for commercial purposes as provided in Section 6.3 and the portion that will be maintained as passive open space. The Authority must provide a map to the City depicting these portions and provide an updated map no more than five (5) business days after any making any change.



6.5. Authority Acknowledgement of Requirement to Seek Approval of Use of B-6 Property Pursuant to PUC Section 21661.6. The Authority acknowledges that it is obligated to seek and obtain City approval for the use of any or all of the B-6 Property in the City for expansion or enlargement of the Airport pursuant to PUC Section 21661.6. The Authority also acknowledges that the Authority's obligation under California law to seek and obtain City approval of use or development of or construction on the B-6 Property for airport expansion or enlargement purposes is not affected or limited by the Authority's prior acquisition, for other purposes, of the Adjacent Property. Similarly, the Authority acknowledges that the Authority's obligation under California law to seek and obtain City approval of acquisition of the Trust Property for airport expansion or enlargement purposes is not affected or limited by the transfer of that property to the Original Trustee in November 1999, or to any subsequent trustee, including but not limited to the Trustee.

7. Release Of City Use Restrictions and City Easements. The City Use Restrictions and the City Easements applicable to the B-6 Property described in Section 6 above shall remain in effect unless and until released by the City, in which case the City shall execute and cause to be recorded an instrument releasing or terminating City Use Restrictions and City Easements in accordance with the terms of the Easement Agreements. The City may release or terminate any or all City Use Restrictions or City Easements and may execute any document necessary to release or terminate such restrictions or easements without the consent of, or authorization by, the Authority or the Trustee.

7.1. Upon sale or disposition of all right, title and interest in the Trust Property or portions thereof by the Trustee, the City shall execute and transmit to the Trustee to be recorded a quitclaim deed, release or termination agreement in favor of the purchaser sufficient to terminate the City Use Restrictions and City Easements on the Trust Property or portions thereof, except that in no event shall the City be required to release or terminate the City Use Restriction or City Easement prohibiting use of any portion of the Trust Property for expansion or enlargement of the Airport or prohibiting use of any portion of the Trust Property for any structure, construction or development project to expand or enlarge the Airport.

7.2. The City shall have no obligation to terminate or release any of the City Use Restrictions or City Easements imposed on the Adjacent Property.

8. City and Authority Determinations Regarding the Transfer of Title to the Trust Property and Adjacent Property and the Imposition of Easements and Use Restrictions. The Authority and the City expressly and explicitly agree and acknowledge that the prior transfer of right, title and interest to the Adjacent Property, any future transfer of right, title and interest to the Trust Property, and the imposition of easements and use restrictions on the Adjacent Property and Trust Property in accordance with the terms of this Escrow and Trust Agreement, the Easement Agreements: (i) are not necessary or required under federal law to ensure the continued safe and efficient operation of the Airport; (ii) cannot, will not and are not intended to preempt, create rights that result in the preemption of, or otherwise affect adversely the applicability, validity or enforceability of, PUC Section 21661.6; (iii) cannot, will not and are not intended to permit any use that is not permitted by a development agreement executed pursuant to California Government Code section 65864 or local land use laws, including, but not limited



to the City's Zoning Ordinance and General Plan and the Burbank Redevelopment Agency's Golden State Redevelopment Plan, as amended from time to time; (iv) cannot, will not, and are not intended to preempt, create rights that will result in the preemption of, or otherwise affect adversely the applicability, validity or enforceability of any of such laws or agreements; and (v) are intended to assure, as provided herein, that any use and development of the B-6 Property shall, under applicable State of California and FAA guidelines relating to noise, clear zones, setbacks, height limits and electromagnetic and light interference, be compatible with operations at the Airport.

9. Authority's Waiver of Claims. By execution of this Escrow and Trust Agreement, the Authority waives any and all claims that the restrictions on the use and development of the B-6 Property set forth in this Escrow and Trust Agreement and the Easement Agreements are or will be preempted by federal or state law. The Authority further agrees that PUC Section 21661.6, California real property law and the City's and the Burbank Redevelopment Agency's local land use laws (including the City's Zoning Ordinance and General Plan, and the Burbank Redevelopment Agency's Golden State Redevelopment Plan) apply to and restrict use of the B-6 Property and provide justification that is not preempted by state or federal law for the limitations and restrictions on use of the B-6 Property set forth in this Escrow and Trust Agreement and the Easement Agreements. The Authority further acknowledges and affirms that should any portion of this Escrow and Trust Agreement or the Easement Agreements be finally determined by a court of competent jurisdiction to be preempted or otherwise illegal or unenforceable, in whole or in part, it is the intent of the Parties, and they shall execute, acknowledge and record such further documents and take such further actions as are legal and may be required, to carry out the purposes of this Escrow and Trust Agreement and the Easement Agreements.

10. Liability Pending And After Transfer. The Authority shall have full responsibility and liability for the Adjacent Property, and shall have full responsibility and liability for the Trust Property until transfer of the Trust Property to a third party or third parties, subject in each case to all available rights of indemnity and contribution, including such responsibilities and duties of Lockheed Martin Corporation, Lockheed Corporation, Lockheed Aircraft Corporation, and Lockheed Air Terminal, Inc. (collectively "Lockheed") as have been established or preserved in the Condemnation Action. All indemnity and other obligations imposed on Lockheed by court order or otherwise relating to Lockheed's operations on the B-6 Property shall continue in effect. Upon the conveyance of the Trust Property to one or more parties unrelated to the City or the Authority as set forth above, the duties of the Trustee under the Trust Agreement shall terminate.

11. Other Actions. The City and the Authority shall execute such instructions as may be reasonably necessary to cause a mutually acceptable escrow holder or title company to record any and all documents necessary to convey and insure title to the Trust Property, the City Easements and City Use Restrictions. Any party desiring to obtain title insurance for the Trust Property, City Easements and the City Use Restrictions, may do so at its sole cost and expense; provided that the policy of title insurance is issued by a licensed title insurer that is an affiliate of the Trustee, and that issuance of any such policy does not delay the closing of the transfers contemplated hereby.



12. Best Efforts. The Authority and the City agree to take any and all action necessary to obtain any approvals from third parties, including but not limited to the State of California, the FAA (or U.S. Department of Transportation) and the Los Angeles County Superior Court as provided in Section 13, necessary to implement and achieve the objectives of this Escrow and Trust Agreement and the Easement Agreements. In this regard, the City and the Authority will cooperate to secure any needed support from the Legislature or Congress, and neither the Authority nor the City will support legislation or administrative or judicial action, at any level of government, that seeks to interfere with or undercut achievement of the objectives set forth in this Escrow and Trust Agreement or the Easement Agreements.

13. Motion to the Los Angeles County Superior Court. The Parties shall seek a modification to the Final Order of Condemnation, as may be necessary to implement the terms and conditions of this Escrow and Trust Agreement and the Easement Agreements, or shall seek to obtain court confirmation that such modification is not required in order to implement this Escrow and Trust Agreement and the Easement Agreements.

14. General Provisions.

14.1. Authority. Each Party represents and warrants to the other Party that the person(s) who execute this Escrow and Trust Agreement and any other instruments required under this Escrow and Trust Agreement on behalf of the City, the Authority or the Trustee have been, or will be as of the date of execution, duly authorized to execute the same on the City's, the Authority's or the Trustee's behalf, as appropriate, and no other persons are required to execute this Escrow and Trust Agreement and other instruments required under this Escrow and Trust Agreement on behalf of the City, the Authority or the Trustee.

14.2. Incorporation of Exhibits. All exhibits attached and referred to in this Escrow and Trust Agreement are incorporated as though fully set forth in this Escrow and Trust Agreement.

14.3. Attorneys' Fees. In any action or proceeding between or among the Parties seeking enforcement or interpretation of any of the terms and provisions of this Escrow and Trust Agreement, the prevailing party in such action or proceeding shall be awarded, in addition to taxable costs, damages, injunctive or other relief, its actual costs and expenses incurred in that action or proceeding including, but not limited to, its reasonable attorneys' fees.

14.4. Notices. All notices or other communications required or permitted hereunder shall be in writing and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, or overnight courier and shall be deemed received upon the earlier of (a) if personally delivered, the date of delivery to the address of the person to receive such notice, (b) if mailed, four (4) business days after the date of posting by United States Post Office, or (c) if given by overnight courier, upon receipt by the person to receive such notice.

If to City:



City of Burbank  
275 East Olive Ave.  
Burbank, CA 91505  
Attn: City Manager and City Attorney

With a copy to:

Kaplan, Kirsch & Rockwell, L.L.P.  
1675 Broadway, Suite 2300  
Denver, CO 80202  
Attn: Peter J. Kirsch, Esq.

If to Authority:

Burbank-Glendale-Pasadena Airport Authority  
2627 Hollywood Way  
Burbank, CA 91505  
Attn: Executive Director

With copy to:

Richards, Watson & Gershon  
355 South Grand Avenue, Suite 4000  
Los Angeles, California 90071  
Attn: Laurence S. Wiener, Esq.

If to the Trustee:

The Bank of New York Trust Company, N.A.  
700 South Flower Street, Suite 500  
Los Angeles, California 90017-4101  
Attn: Deborah Young, Vice President, Corporate Trust Administration

Notice of change of address shall be given by written notice in the manner detailed in this Section 14.4. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice or communication sent.

14.5. Entire Agreement. This Escrow and Trust Agreement, including the exhibits, contains the entire and complete agreement of the parties with respect to the matters contained in this Escrow and Trust Agreement. All prior or contemporaneous agreements or understandings, including but not limited to the Restated Escrow Agreement and the Restated Trust Agreement and amendments thereto, oral or written, are merged in this Escrow and Trust Agreement and shall not be effective for any purpose. No provision of this Escrow and Trust Agreement may be amended or modified except by an agreement, in writing, signed by the



parties or their respective successors-in-interest and expressly stating that it is an amendment of this Escrow and Trust Agreement.

14.6. Governing Law. This Escrow and Trust Agreement is executed in and shall be governed by the laws of the State of California without giving effect to the conflict of laws provisions thereof.

14.7. Time of the Essence. Time is of the essence with respect to each and every provision of this Escrow and Trust Agreement. Unless the context otherwise requires, all periods terminating on a given day, period of days, or date shall terminate at 5:00 p.m. Pacific time on such date or dates and references to "days" shall refer to calendar days; provided, however, in the event that any period terminates on a Saturday, Sunday or legal holiday, under the laws of the State of California, the termination of such period shall be on the next succeeding business day. The time in which any act provided under this Escrow and Trust Agreement is to be done shall be computed by excluding the first day and including the last, unless the last is a Saturday, Sunday or legal holiday under the laws of the State of California, and then it is also so excluded.

14.8. Counterparts. This Escrow and Trust Agreement may be executed in one or more counterparts, all of which together shall constitute a single agreement and each of which shall be an original for all purposes.

14.9. Assignment; Successors. This Escrow and Trust Agreement and any rights hereunder shall not be assignable by any Party without the prior written consent of the other Parties, which consent may be withheld in the sole discretion of a Party. Subject to that limitation, this Escrow and Trust Agreement shall be binding upon, and shall inure to the benefit of, the successors and permitted assigns of the Parties.

14.10. Further Assurances. From time to time, each Party shall execute and deliver such further instruments and shall take such other action as any other party may reasonably request in order to discharge and perform their obligations and agreements hereunder.

14.11. Third Party Beneficiaries. Nothing in this Escrow and Trust Agreement shall be for the benefit of anyone not a party to this Escrow and Trust Agreement.

14.12. Representations To The FAA. Authority counsel and counsel to the City have advised the Authority and the City that a transfer of title to the Trust Property pursuant to the Final Order in the Condemnation Action, which was subject to and in accordance with the terms of the Easement Agreements, did not require City Council approval pursuant to PUC Section 21661.6 because the acquisition is not for the purpose of expanding or enlarging the Airport. By execution of this Escrow and Trust Agreement, the Authority agrees that the Authority, its agents, counsel, representatives, Commissioners, officers, employees, staff, contractors, consultants, successors and assigns will not make any representation to the FAA that contradicts the foregoing or the agreements and acknowledgments in Section 6.

14.13. Enforcement; Dispute Resolution Procedures.



14.13.1 Changes in Circumstances. The Parties agree that changes in circumstances will not forgive compliance with this Escrow and Trust Agreement or the Easement Agreements. It is the intent of the Parties to make the obligations stated herein and in the Easement Agreements binding and permanent, except as provided in Section 5.

14.13.2 Further Assurances Upon Court Determination. The Parties further agree that they will employ other permissible legal mechanisms, execute, acknowledge and record such further documents, and take such further actions as may be required to accomplish the mutual objectives set forth herein and in the Easement Agreements, should any such document be finally determined by a court of competent jurisdiction to be preempted or otherwise illegal or unenforceable.

14.13.3 Informal Dispute Resolution Panel. In the event that a dispute arises in connection with or respect to this Escrow and Trust Agreement, any Party may submit the dispute to an informal dispute resolution panel (the "Panel") consisting of one retired judge appointed by each Party and another member agreed upon by the Parties who shall be a professional with at least ten years' experience in land use and airport planning. The Panel shall be selected within ten (10) days after any Party notifies another Party that it has elected to submit the dispute to a Panel. In the event the Parties are unable to agree on the additional member, then the appointed members shall select the additional member within seven (7) days after expiration of the ten (10) day period. The Panel shall meet and hold an informal hearing on the dispute within ten (10) days of appointment. Each Party shall be entitled to submit a written statement of its position regarding the dispute to the Panel at or before the hearing, and each Party shall be entitled to make an oral presentation to the Panel during the hearing, which presentation shall not exceed thirty (30) minutes in length. The Panel may establish rules of procedure for the administration of this process. Not later than twenty (20) days after the Panel's first meeting on the alleged default and dispute, the Panel shall propose a resolution of the Parties' dispute. The Panel shall have no power to impose any resolution or specific action and its decisions shall not be binding on the Parties. The Parties shall review the Panel's proposed resolution and representatives of parties to the dispute shall meet at least one time within ten (10) days after issuance of the Panel's determination and proposed resolution to seek to resolve their differences over the alleged default. If the Parties are unable to resolve their differences after such meeting or if one Party fails to cooperate or participate in the dispute resolution process, the Parties may proceed to invoke any other remedies at law or in equity (including the right to injunctive relief).

14.13.4 No Legal Proceedings During Alternative Dispute Resolution. In order to ensure that the alternative dispute resolution procedures of this Section are used before a court challenge over a dispute arises, the Parties shall proceed in accordance with this Section and no Party may proceed with any other remedies at law, equity or until the process set forth in Section 14.13.3 has been completed. During any period that the procedures in Section 14.13.3 are being complied with, the Party alleged to be in default shall not be considered in default for the purposes of termination or institution of legal proceedings. If the default is cured, then no default shall exist and the noticing Party shall take no further action. Notwithstanding the preceding provisions of this paragraph, nothing contained herein is intended to abrogate any Party's ability to seek extraordinary relief from the courts to compel or enjoin another Party's



action when irreparable harm will be caused by the delay in completing the alternative dispute resolution procedures of Section 14.13.3, or when other grounds for extraordinary relief are satisfied, as provided in Code of Civil Procedure Section 526 or other applicable provisions of law.

14.13.5 Traditional Remedies. Upon completion of the procedures contained in Sections 14.13.3, or upon the mutual written waiver of the procedures of Section 14.13.3 and 14.13.4, any Party may institute legal proceedings to seek relief for the default of another Party.

14.14. Defenses. The Parties agree that no party will claim or assert (i) as a defense to performance of the terms of this Escrow and Trust Agreement or the Easement Agreements, or (ii) as an excuse for the non-performance of any term of this Escrow and Trust Agreement or the Easement Agreements, that its performance is barred, precluded, discharged or excused by the doctrine of impossibility of law or fact, illegality or any similar defense.

14.15. Effective Date; Effect on Restated Escrow Agreement Executed as of November 16, 1999 and Restated Trust Agreement Executed as of November 16, 1999

14.15.1. Effective Date of This Escrow and Trust Agreement. This Escrow and Trust Agreement will become effective on the date (the "Effective Date") on which all of the following have occurred: (i) the City has granted approval for the Authority's acquisition of the A-1 North Property pursuant to PUC Section 21661.6(a) and approval to relocate Parking Lot A pursuant to PUC Section 21661.6 (e); and (ii) the City has adopted the PD zone applications for the A-1 North Property and Parking Lot A projects.

14.15.2. Effect on Restated Escrow Agreement Executed as of November 16, 1999 and Restated Trust Agreement Executed as of November 16, 1999. Upon the Effective Date, this Escrow and Trust Agreement will immediately restate, amend and supersede the Restated Escrow Agreement and the Restated Trust Agreement, both executed as of November 16, 1999 (the "1999 Agreements"), without further action of the Parties. Until the Effective Date of this Escrow and Trust Agreement, the 1999 Agreements shall remain in full force and effect.

14.15.3. Effectiveness of Restated Adjacent Property Easement. The City and Authority shall cause the Restated Adjacent Property Easement to be recorded on the Effective Date of this Escrow and Trust Agreement, or as soon thereafter as is practicable, and upon such recordation, the Restated Adjacent Property Easement shall become effective.

14.15.4. Effectiveness of Restated Trust Property Easement. The Restated Trust Property Easement shall become effective upon the date on which all of the following have occurred: (i) this Escrow and Trust Agreement has become effective; (ii) the Authority has acquired fee title to any portion of the A-1 North Property; (iii) that portion of the A-1 North Property has become "Useable and Operational" (as hereinafter defined); and (iv) the City and/or the Authority has recorded the Restated Trust Property Easement. As used herein, the term "Useable and Operational" shall mean the point in time the Authority makes any portion of the A-1 North Property open and available for use by the general public for public airport



parking, whether through valet parking services, self parking or a combination of valet and self parking services. The Authority shall provide written notice to City within five (5) days after the A-1 North Property or any portion thereof becomes Useable and Operational.

14.16. Termination. This Agreement shall automatically terminate upon mutual agreement of the parties or upon a final determination by a court of competent jurisdiction that this Escrow and Trust Agreement is invalid or unenforceable.

14.17 Substitution of Trustee. Whether or not LaSalle Bank National Association shall have executed this Escrow And Trust Agreement, the City Manager of the City and the Executive Director of the Authority may substitute another entity for La Salle Bank National Association (or for any successor trustee) as "Trustee" hereunder by recording a Substitution of Trustee executed by the City Manager of the City and the Executive Director of the Authority. Promptly after the written request of the City Manager of the City and the Executive Director of the Authority (which may be made prior to the recordation of a Substitution of Trustee), LaSalle Bank National Association (or any successor trustee, as applicable) shall execute, acknowledge and deliver all commercially reasonable documents and deeds necessary or convenient to accomplish such substitution and to vest title to the Trust Property then held by the then-current Trustee to the new, substituted Trustee.

IN WITNESS WHEREOF, the City, the Authority and the Trustee have executed this Escrow and Trust Agreement as of the day and year first above written.

City

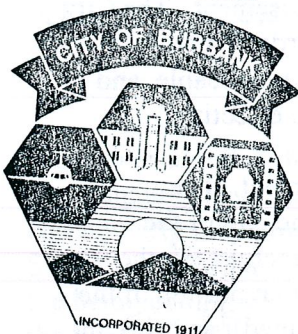
ATTEST:

**CITY OF BURBANK,**  
a municipal corporation

BY: Margarita Campos  
MARGARITA CAMPOS  
CITY CLERK

By: Mary Alvord  
Mary Alvord  
Its: City Manager

OFFICIAL SEAL



Authority

**BURBANK-GLENDALE-PASADENA AIRPORT  
AUTHORITY**, a public entity formed pursuant to the  
California Joint Exercise of Powers Act

By: Charles Lombardo  
Charles Lombardo  
Its: President